

Legislative Council Questions on Notice
Questions No. 95-100

95 Management Accounting Systems

With reference to the Stokes-Vertigan Report and Budget Paper No.2 Pages 1-9, 1-10.2.5

- i) How many agencies have management accounting systems that comprehensively measure cost and quantity of major services?
- ii) Which agencies have management accounting systems that comprehensively measure cost and quantity of major services?

96 Central Treasury Systems

With reference to the Stokes – Vertigan Report:

- i) Does the Treasurer agree with the Stokes – Vertigan Report's observation that *'All agencies require accounting systems to support management accounting information needs including cost accounting. These systems should also have the capability to feed directly into central Treasury systems.'*?
- ii) If the Treasurer does agree with the above statement, when will such systems be implemented?

97 Standing Allocation

With reference to the Stokes-Vertigan Report:

- i) How much is capital expenditure, in percentage of total budget and in dollar terms, is the standing annual allocation for the current financial year and the following three financial years for the following entities:
 - a. Department of Education and Training,
 - b. Department of Health,
 - c. Roads and Traffic Authority, and
 - d. Ministry for Transport?

98 Fully Services-Based Budget

With reference to the Stokes-Vertigan Report:

- i) What progress has been made towards having a fully services-based budget in place for 2008-09?

99 Agency Amalgamations

With reference to the Stokes-Vertigan Report:

- i) What progress has been made to reduce the number of agencies based on *"a comprehensive approach to agency amalgamation that incorporates all aspects of government"* as outlined in the Stokes-Vertigan Report on pages 30 and on page 2-7 of 2006-07 Budget Paper No.2?
- ii) If the Government does decide to reduce the number of agencies:
 - a. What savings have been calculated?
 - b. How many people will be retrenched?
 - c. What positions will be abolished?

100 Data Gathering

With reference to the Stokes-Vertigan Report:

- i) Has the Government improved data gathering on grants to see whether these are effective and best meet objectives?

ANSWER: 95 - 100

I'm advised:

The Government's response to the independent audit of Government expenditure and assets is outlined in the Economic and Financial Statement issued in February 2006 and has been incorporated in the 2006-07 Budget.

Capital expenditure, by agency, is detailed in Budget Paper No.4, Infrastructure Statement, with future year capital allocations subject to ongoing review.

All General Government Sector agencies are required to submit information on service costs and performance measures to Treasury as part of their Results and Services Plans.

Question No. 101 Sydney Olympic Park Authority

With reference to the Half-Yearly Budget Review 2005-2006 page 15 and also to Budget Paper No. 3 Page 18-11:

- i) What were the circumstances causing the Sydney Olympic Park Authority (SOPA) to recognise the disposal of facilities valued at \$398 million which were previously recognised as a lease to the Royal Agricultural Society?
- ii) Was the Sydney Olympic Park Authority (SOPA) disposal of facilities valued at \$398 million, which were previously recognised as a lease to the Royal Agricultural Society, a write-off or a write down?
- iii) Given SOPA also wrote back \$211 million of a previously recognised emerging interest in privately financed infrastructure assets:
 - a) Was this written back to zero?
 - b) What was the basis on which the emerging interest was initially recognised?
 - c) What is the basis for writing back this asset?

ANSWER

I'm advised:

Sydney Olympic Park Authority falls under the administration of the Minister for Tourism.

Question No. 102 State Super

With reference to Budget Paper No. 3 Page 22-9:

- iv) Given the NSW Government is planning to give \$8.7 billion to State Super in 2006-07:
 - a. What additional governance requirements will it impose on State Super?
 - b. Is the NSW Government satisfied with the existing governance arrangements for State Super investments?

ANSWER

I'm advised:

The governance arrangements imposed on State Super are set out in the *Superannuation Administration Act 1996*.

Treasury regularly reviews State Super's governance arrangements, and compares these governance arrangements to those required by APRA for other superannuation schemes in Australia. State Super's investments are regulated by the *Public Authorities (Financial Arrangements) Act 1987* ("PAFA Act").

Treasury annually reviews State Super's compliance with the PAFA Act and the policies and procedures that State Super has in place to manage its investments.

Question No. 103 State Significant Developments

What is the average time taken to approve a project of State Significance?

ANSWER

I'm advised:

This issue falls under the administration of the Minister for Planning.

Question No. 104 Efficiency Dividend

With reference to Budget Paper No.2 Page 1-10:

- i) Can the Treasurer provide a table showing which NSW Government Departments/Agencies have made efficiency dividend savings so far?
- ii) How much has currently been saved due to efficiency dividends so far?
- iii) Where do the projected savings appear in the forward estimates?

ANSWER

I'm advised:

The Savings identified for 2005/06 were achieved. As announced at the 2006/07 Budget, and following the February Economic and Financial Statement the Government committed to an achievable \$4.4 Billion in savings to be re-directed to front line services over the next four years.

The savings plan includes:

- \$300 million in 2007-08 from non-essential services;
- Back office staff reductions of 5,000 through natural attrition and voluntary redundancies; and
- A property Authority to save up to \$300 million a year by 2009/10 from better asset management.

The Government is on track to deliver these savings. The Government is undertaking a rigorous Expenditure Review Committee process to ensure that future savings are realised.

Question No. 105 Corporate Services

With reference to Budget Paper No.2 Page 2-7

- i) Given all agencies are required to reach certain benchmarks for Corporate Services over the next two years with this is estimated to equate to savings of \$170 million and given agencies underperforming were required to submit plans as part of the 2006-07 Budget negotiations for achieving the benchmarks in the next two years, what progress (no of agencies etc.) was made in respect of underperforming agencies in the 2006-07 budget negotiations?

ANSWER

I'm advised:

Agencies are on track to achieve targeted savings in 2006-07. One of the strategies being used by agencies to deliver the targets is to improve the efficiency of corporate services.

Question No. 106 Government Grants

With reference to Page 32 of the Economic and Financial Statement 23 February 2006 and Budget No. 2 See pages 1-9, 2-5:

- i) Given the Government has said it “fully supports the proposition that there should be contracted service delivery for Government grants aimed at specified outcomes”:
 - a. What percentage in dollar terms of Government grants in the 2006-07 Budget will meet this requirement?
 - b. What percentage in the number of Government grants in the 2006-07 Budget will meet this requirement?
 - c. When does the Government expect achieve this requirement for all grants?
- ii) What progress has been made on improvement of the monitoring program of grant effectiveness?

ANSWER

I'm advised:

The government continues to make good progress in this area in line with the Economic and Financial Statement issued in February 2006.

Question No. 107 Sydney Harbour Foreshore Authority

With reference to page 27 of the Economic and Financial Statement 23 February 2006:

- i) In respect of the Sydney Harbour Foreshore Authority, what was the financial impact from outsourcing functions?
- ii) In respect of the Sydney Harbour Foreshore Authority, what was the financial impact from leasing of assets?

ANSWER

I'm advised:

The Sydney Harbour Foreshore Authority falls under the administration of the Minister for Planning.

Question No. 108 Premier's Service Delivery Unit

With reference to Budget Paper No. 3 page 2-822 and page 29 of the Economic and Financial Statement February 2006:

- i) Given the Premier's Service Delivery Unit had no staff in 2005-06, what was \$1 million spent on in this unit in 2005-06?
- ii) Which are the key areas of service improvements that the Premier's Service Delivery Unit is currently examining?

ANSWER

I'm advised:

The Premier's Service Delivery Unit falls under the administration of the Premier.

Question No. 109 Leased Office Accommodation

With reference to Page 30 of the Economic and Financial Statement 23 February 2006:

1 What percentage of the Government's leased office accommodation was vacant on 1 July 2006?

- iii) For vacant leased accommodation located in Parramatta on 1 July 2006 please provide the following details:
 - a. Which agency is responsible for vacant leased accommodation?
 - b. Which agency was last accommodated in this space before it became vacant?
 - c. What is the annual cost of this vacant leased accommodation?
 - d. Where is the vacant leased accommodation located?

ANSWER

I'm advised:

The NSW Government occupies 1.2 million square metres of office accommodation in over 1,000 buildings across the State.

As at 31 August 2006, the total amount of vacant space was approximately 5,380 square metres, which is only 0.44% of the total space occupied by Government, that is, less than half of one per cent.

This is a marked improvement on the vacancy rate of 2.23% that existed at 31 January 1995 under the Coalition: five times the Government's current vacancy rate.

The Government's current vacancy rate also compares more than favourably to the office market vacancy rate of 9.4% in the Sydney CBD at July 2006. (Figure supplied by the Property Council of Australia).

There is currently no space listed as vacant at Parramatta.

Question No. 110 Liability Management Ministerial Corporation

- i) With reference to Budget Paper No. 3 Page 22-3422 Crown Finance Entity Operating Statement:
 - i) Why did the \$8.7 billion transferred from Liability Management Ministerial Corporation (see BP3 page 22-51) appear as “Retained Revenue”?
 - ii) Why wasn't the payment of this amount to State Super treated as an expense?
- (ii) With reference to Budget Paper 3 Page 22-15 Liability Management Ministerial Corporation Narrative (Top of page) that additional cash contribution results in an approximate \$200 million per annum reduction in future Crown employer contributions, could the Treasurer advise on the assumptions behind this calculation?
- iii) Reference Budget Paper 3 Page 22-14 Liability Management Ministerial Corporation Narrative that the Government's stated aim is to achieve its fiscal targets, including eliminating total state sector unfunded superannuation liabilities, by 2030 and given then Government has been in power since 1995, how much reassurance can taxpayers gain from meeting this target in 2030 when State Super's 2004-05 annual report notes that peak funding is required in about 2015?

ANSWER

I'm advised:

- i) The question is incorrect. The transfer referred to is shown as an expense not retained revenue.
- (ii) The reference to the change in funding, via Crown employer contributions is based on actuarial advice from the scheme's actuary.
- (iii) As outlined in Budget Paper 2, on current financial trends and advice from an independent actuary the 2030 target is set to be achieved.

In comparison the Commonwealth Superannuation Schemes are largely comprised of only employee contributions. They are generally unfunded and amount to around \$90 Billion. The Commonwealth have only recently sought to address this massive liability through the creation of the future fund.

Question No. 111 Forward Estimates

- i) With regard to the forward estimate for FY2007-08, what percentage of funds for the following 3 items is uncommitted (i.e. not bound by contract or other agreement or understanding) as at 30 June 2006:
 - a. Employee related,
 - b. Other operating, and
 - c. Grants and subsidies.
- ii) With regard to the forward estimate for FY2008-09, what percentage of funds for the following 3 items is uncommitted (i.e. not bound by contract or other agreement or understanding) as at 30 June 2006:
 - a. Employee related,
 - b. Other operating, and
 - c. Grants and subsidies.
- iii) With regard to the forward estimate for FY2009-10, what percentage of funds for the following 3 items is uncommitted (i.e. not bound by contract or other agreement or understanding) as at 30 June 2006:
 - a. Employee related,
 - b. Other operating, and
 - c. Grants and subsidies.
- iv) With regard to the forward estimate for FY20010-11, what percentage of funds for the following 3 items is uncommitted (i.e. not bound by contract or other agreement or understanding) as at 30 June 2006:
 - a. Employee related,
 - b. Other operating, and
 - c. Grants and subsidies.

ANSWER

I'm advised:

The specific information requested is unknown. Most government expenditure is related to the delivery of services which can be adjusted in line with the needs of the community.

Question No. 112 Home Fund

With respect to each Department, Agency and Entity that the Treasurer is responsible for:

- i) Given the 2006-07 Budget Paper No. 3 on page 11-8 states "These Home Fund support obligations will significantly reduce after May 2006 and the financial structure of the Fund will be reviewed in line with the Fund's future obligations".
 - a) Can the Treasurer advise on the outcome/status of the review?
 - b) Does this fund contain a significant surplus?

ANSWER

I'm advised:

The Home Fund falls under the administration of the Minister for Housing, as documented in BP3, page 11-8.

Question No. 113 Home Purchase Assistance Fund (HPAF)

With respect to each Department, Agency and Entity that the Treasurer is responsible for:

- i) As Budget Paper No. 3 on page 11-18 shows the net assets of the HPAF (Revised 2005-06) at 30 June is \$155,543,000, can the Treasurer confirm that this net asset amount at 30 June 2006 is a reasonable forecast at that date?
- ii) Given the Auditor General's Report to Parliament 2005 Volume 4 states that Net Assets for the HPAF at 30 June 2005 is \$439,711,000 what is the explanation for the more than \$284 million difference between net assets in the Auditor General's Report and that in Budget Paper No. 3?

ANSWER

I'm advised:

The Home Purchase Assistance Fund falls under the administration of the Minister for Housing, as documented in BP3, page 11-8.

Question No. 114 Land and Property Information Office

- i) Why doesn't the Land and Property Information Office publish statistics on its performance like other agencies in the 2006-07 Budget Paper No. 3?
- ii) Does the Land and Property Information Office internally maintain statistics on its performance?
- iii) What were the number of Strata Plans lodged in 2005-06?
- iv) How does the number of Strata Plans lodged in 2005-06 compare with the number of Strata Plan lodgements in 2004-05?
- v) How much did the Land and Property Information Office earn from Strata Plan lodgements in 2005-06?
- vi) How many staff were employed in the Land and Property Information Office to process Strata Plan lodgements in 2005-06?
- vii) What was the total cost of processing Strata Plan lodgements in 2005-06?
- viii) How many staff were employed in the Land and Property Information Office to process Strata Plan lodgements in 2004-05?
- ix) What was the total cost of processing Strata Plan lodgements in 2004-05?
- x) What is the average turnaround for Strata Plan lodgements by the Land and Property Information Office in 2005-06?
- xi) What is the average turnaround for Strata Plan lodgements by the Land and Property Information Office in 2004-05?
- xii) Does the Land and Property Information Office have any plans to improve turnaround time for Strata Plan lodgements?
- xiii) Does pre-examination of Strata Plans improve turnaround time?
- xiv) How many Strata Plans are lodged electronically in 2005-06?
- xv) How many Strata Plans are lodged electronically in 2004-05?
- xvi) Are Strata Plans turned around more quickly if lodged electronically?

ANSWER

I'm advised:

- i) Land and Property Information is classified as a Non-Budget Dependent General Government agency. No such agency publishes statistics on performance in Budget Paper No 3.

The Property Information Office falls under the administration of the Minister for Lands.

Question No. 115 Capital Works

- i) Of the \$41.3 billion available for capital works over the next four year period, how much is actually allocated to projects for each year in the period 2006-07 to 2010-11?
- ii) For each year in the period 2006-07 to 2010-11, how much of the capital works budget is set aside for contingencies?

ANSWER

Details of the Government's capital expenditure investment program are set out in Budget Paper No.4, Infrastructure Statement, and the State Infrastructure Strategy.

Question No. 116 OSR Fine Collection Camera Detected Traffic Offences

- (a) Interstate Registered Vehicles Less than 4.5 Tonnes
 - (i) What are the OSR's fine collection procedure in respect to camera detected traffic offences for an interstate registered vehicle which is less than 4.5 tonnes bare weight?
 - (ii) How long (on average) after the offence is detected does OSR commence recovery?
 - (iii) How much is outstanding at 30 June 2006 in respect of offences detected by traffic cameras for interstate registered vehicles?
 - (iv) Can an aged analysis be provided for this amount?
 - (v) In the last financial year what percentage of fines were collected for these offences?

ANSWER

I'm advised:

A penalty notice for a camera-detected offence is sent to the address obtained from the National Exchange of Vehicle and Driver Information System (NEVDIS) or the state where the vehicle is registered.

If unpaid, the State Debt Recovery Office will commence enforcement through the issue of an enforcement order followed by the imposition of RTA customer business sanctions, including licence and registration sanctions.

The details of nationally agreed offences, including camera-detected offences, are also sent to the interstate jurisdiction for recording on the driver's record and for the allocation of demerit points and suspension action. The agency commences recovery action after the period required for payment has ended.

In 2005/06 175,459 infringements were issued to interstate registered vehicles. These infringements totalled \$29,308,246. This includes all traffic and parking infringements.

In relation to vehicles owned by interstate companies, if the penalty notice is not finalised by the due date, the State Debt Recovery Office can apply to the court in that state for an enforcement order. The full range of that state's enforcement sanctions is available and can be applied by the appropriate authority in that state.

116 (b) NSW Registered Vehicle Less Than 4.5 Tonnes Driver is Overseas Resident

- (i) For NSW registered vehicles under 4.5 tonnes where in respect of a camera detected traffic offences it is alleged (by statutory declaration or otherwise) that a person ordinarily resident overseas was driving the vehicle at the time of the offence, what is OSR's fine collection process?
- (ii) How long (on average) after the offence is detected does OSR commence recovery?
- (iii) How much is outstanding at 30 June 2006 in respect of offences detected by traffic cameras for overseas residents?
- (iv) Can an aged analysis of this amount be provided?
- (v) In the last financial year what percentage of fines were collected for these offences?

ANSWER

I'm advised:

If an overseas driver has incurred a penalty, a penalty notice is sent to their overseas address. If unpaid, enforcement action is commenced by the issue of an enforcement order, followed by the imposition of licence, vehicle registration and business sanctions. Payments have been received on this basis.

The State Debt Recovery Office commences recovery action after the period required for payment has ended. When the agency enforces a fine, it takes into consideration the likelihood of recovery against the responsible use and allocation of resources.

Question No. 117 NSW General Government Employee Costs

- i) What is the forecast average FTEs in the General Government sector in 2005-06, 2006-07, 2007-08 and 2008-09 that underpin NSW General Government Employee labour costs?
- ii) Where have the 5,000 staff surplus to savings been included?
- iii) Has the Government carried out sensitivity analysis on the range of possible Budget outcomes based on the State Super projected returns?

ANSWER

I'm advised:

Details of employee costs and numbers are included in the Budget Papers. In particular, Budget Paper No.3, provides average staffing numbers for each program.

Agencies are delivering efficiency targets that will deliver savings totalling \$4.4 billion by 2009-10 as detailed in Budget Paper 2. Agencies are identifying surplus positions as part of the efficiency process.

The Government regularly monitors risks (both positive and negative) that may impact on the Budget Result.

MICHAEL COSTA